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09/910,859	07/24/2001	Gary Chodes	9553-001-27	4050

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EXAMINER

HARBECK, TIMOTHY M

ART UNIT	PAPER NUMBER
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3692

DATE MAILED: 10/19/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/910,859

Applicant(s)

CHODES, GARY

Examiner

Timothy M. Harbeck

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 25 July 2006.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-35 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-35 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a). Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_

- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

### DETAILED ACTION

The affidavit filed on 7/25/2006 under 37 CFR 1.131 is sufficient to overcome the Richman reference. However, please see the below response to arguments for a more detailed explanation.

#### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1-4, 10-11, 19-21 and 29-30 are rejected under 35 U.S.C. 102(b) as being anticipated by Mottola et al (hereinafter Mottola; US 5,809,484).

**Re Claim 1:** Mottola discloses a method of providing a participant with a lump sum in exchange for non-directly assignable benefits received by the participant, the method comprising:

- Determining a value for the lump sum for the participant (Column 2, lines 48-50; Column 12, lines 1-6)
- Paying the lump sum to the participant (Fig 2, Step 230; Column 12, lines 1-6)
- Directing the received benefits to a participant account (Column 15, lines 17-23); and
- Periodically transferring the received benefits from the participant account to a second account (Column 3, lines 46-51)

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**Re Claim 2:** Mottola discloses the claimed method and further discloses wherein determining a value for the lump sum payment for the participant includes:

- Inputting participant specific data;
- Inputting criteria data for return goals; and
- Analyzing the input participant specific data for return goals (Column 3, lines 59 – Column 4 line 30)

**Re Claim 3:** Mottola discloses the claimed method and further discloses wherein the participant specific data includes at least financial information (Column 3, line 36 “future earnings”).

**Re Claim 4:** Mottola discloses the claimed method and further discloses wherein the participant specific data includes at least expected future earnings (Column 3, line 36)

**Re Claim 10:** Mottola discloses the claimed method supra and further discloses wherein the criteria data for return goals includes at least a target rate of return (Column 3, lines 59-64; “sufficient to generate attractive returns.”)

**Re Claim 11:** Mottola discloses the claimed method supra and further discloses wherein the input participant specific data and the criteria data for return goals include at least one selected from a group consisting of maturity of loan or advance (Column 9, lines 31-34; 15 years).

**Re Claim 19:** Mottola discloses the claimed method supra and further discloses wherein the second account is held by a provider of the lump sum payment (Column 12, lines 7-11); Investment trust provides the loan and holds the account).

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**Re Claim 20 and 21:** Mottola discloses the claimed method supra and further discloses wherein the second account is held by an account provider, the method further comprising paying a service fee to the account provider for the second account, wherein the service fee is paid from the transferred sweep benefits (Fig 8; Column 15, lines 46-55).

**Re Claim 29:** Mottola discloses the claimed method supra and further discloses determining whether to approve payment of the lump sum payment to the participant (Fig 5, Ref 524; selection inherently implies approval).

**Re Claim 30:** Mottola discloses the claimed method supra and further discloses if a determination is made to approve the lump sum payment to the participant, transmitting approval information to the participant (Column 14, lines 4-13)

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 5-9, 12-18, 22-28 and 31-35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Mottola.

**Re Claim 5:** Mottola discloses the claimed method supra but does not explicitly disclose wherein the participant specific data includes marital status information for the non-directly assignable benefits. Mottola does disclose that acceptance criteria includes other recognized indicia related to career success is utilized in the process

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(Column 12, lines 65-67). Official Notice is taken that marital status of a person is well known to affect the future earnings power of individuals, particularly women. This is due to the fact that many persons leave employment opportunities in order to raise children. It would have been obvious to a person of ordinary skill in the art to include this step to the disclosure of Mottola so that the investors have a more detailed understanding of the earning potential of the student. If they are married, it is more likely that they will leave the workplace (therefore having no future earnings), and this would affect the investment opportunities.

**Re Claim 6-7:** Mottola discloses the claimed method supra but does not explicitly disclose wherein the participant specific data includes spousal benefits information and wherein the spousal benefits information includes one selected from a group consisting of widow benefits information and spousal Social Security benefits. However Mottola does disclose that a students future earnings is a main factor in determining investment potential for the trust (Column 3, lines 28-58). Official Notice is taken that spousal benefits and Social Security benefits were well known types of future benefits. It would have been obvious to a person of ordinary skill in the art at the time of invention so that the investors have a more detailed understanding of the earning potential of the student. If earned benefits are going toward spousal and or family obligations (pre-tax in many cases) this will affect the overall return granted the trust, which affects the ultimate decision to invest.

**Re Claim 8-9:** Mottola discloses the claimed method supra but does not explicitly disclose wherein the participant specific data includes retirement information

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and wherein the retirement information includes information relating to one selected from a group consisting of early retirement, normal retirement and delayed retirement. However Mottola does disclose that a students future earnings is a main factor in determining investment potential for the trust (Column 3, lines 28-58). Official Notice is taken that it was old and well known at the time of invention for the date of retirement to affect the overall potential earnings of an individual. It would have been obvious to a person of ordinary skill in the art at the time of invention so that the investors have a more detailed understanding of the earning potential of the student. If a student intends to retire early, then the revenue generated for the trust will not be as high as a normal or delayed retirement, which will affect the overall decision to invest.

**Re Claim 12:** Mottola discloses the method of claim 1 but does not explicitly disclose wherein the non-directly assignable benefits comprise Social Security benefits. However Official Notice is taken that Social Security benefits are notoriously old and well known as future earnings. It would have been obvious to a person of ordinary skill in the art to include this to the disclosure of Mottola so that the investors have a more detailed and realistic projection of the future earnings of the student.

**Re Claim 13-14:** Mottola discloses the method of claim 1 but does not explicitly disclose wherein the account is a minimum fee account or a non-interest bearing account. However Official Notice is taken that these types of accounts were notoriously well known in the art at the time of invention. Therefore it would have been obvious to anyone skilled in the ordinary art to adapt the method of Mottola to include these

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teachings so that a participant could utilize an account type that they are familiar with, or simply prefer.

**Re Claim 15-17:** Mottola discloses the method of claim 1 and while not explicitly disclosing the step wherein the received benefits in the participant account are transferred to the second account daily, Mottola does disclose that the funds are directed on a regular basis (Column 15, lines 15-24). It would have been obvious to anyone skilled in the ordinary art that a regular basis would include daily, weekly, or monthly transfers and even transfers on a selected day.

**Re Claim 18:** Mottola discloses the method of claim 1, but does not explicitly disclose where the second account is a bankruptcy remote account. Official Notice is taken that bankruptcy remote account was well known in the art at the time of invention. It would have been obvious to anyone skilled in the ordinary art at the time of invention to adapt the secondary account to any type of account that was appropriate to the terms of the agreement.

**Re Claims 22-24:** Mottola discloses the method of claim 1, but does not explicitly disclose how the contents of the second account are distributed. Official Notice is taken that it was old and well known in the art at the time of invention to leave this responsibility to the discretion of the second account holder, in line with the terms of the particular agreement or any other agreement that they have entered. It would have been obvious to a person of ordinary skill to include this step so that the second account holder could utilize the funds in the account.



**Re Claim 25:** Mottola discloses the claimed method supra but does not explicitly wherein the at least one service provider is one selected from a group consisting of a financial planner or a financial advisor. Official Notice is taken that it was well known in the art at the time of invention for investment trusts, such as the one disclosed by Mottola, to consult professionals in order to aid in the process, including financial advisors, lawyers and brokers. It would have been obvious to anyone skilled in the ordinary art to include this teaching to the disclosure of Mottola so that the trust operates as efficiently as possible and these service providers can be compensated directly for their input.

**Re Claim 26:** Mottola discloses the claimed method supra and further discloses wherein the at least one service provider is a provider of the lump sum payment (Column 12, lines 7-11)

**Re Claim 27-28:** Mottola discloses the claimed method supra but does not explicitly disclose wherein the lump sum payment comprises one selected from a group consisting of recourse loan proceeds, limited recourse loan proceeds, and non-recourse loan proceeds and wherein the lump sum payment is a non-recourse advance. Official Notice is taken that these types of loan proceeds were notoriously well known in the art at the time of invention. It would have been obvious to a person of ordinary skill in the art to include these well-known loan types to the disclosure of Mottola to offer a variety of loan types that would appeal to a wider range.

**Re Claim 31:** Mottola discloses a method for a provider to provide a loan in exchange for benefits, the method comprising:

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- Determining a value for the loan (Column 2, lines 48-50; Column 12, lines 1-6)
- Paying the loan to the participant (Fig 2, Step 230; Column 12, lines 1-6)
- The participant opening a new account (Column 15, lines 17-23); and
- Participant providing instructions to direct the benefits to the new account (Column 15, lines 15-23)
- Periodically transferring the directed benefits from the new account to a second account, wherein the second account is held by the provider (Column 3, lines 46-51)

Mottola does not explicitly disclose wherein

- The loan is made in exchange for Social Security benefits

Official Notice is taken that Social Security benefits are notoriously old and well known as future earnings. The method of Mottolla provides for a loan given to a student in exchange for future earnings. Therefore, it would have been obvious to a person of ordinary skill in the art to exchange Social Security benefits in exchange for a loan as this was a guaranteed future benefit from which to leverage.

**Re Claim 32-33:** Mottola discloses the claimed method *supra* but does not explicitly disclose wherein the lump sum payment comprises one selected from a group consisting of recourse loan proceeds, limited recourse loan proceeds, and non-recourse loan proceeds and wherein the lump sum payment is a non-recourse advance. Official Notice is taken that these types of loan proceeds were notoriously well known in the art at the time of invention. It would have been obvious to a person of ordinary skill in the

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art to include these well-known loan types to the disclosure of Mottola to offer a variety of loan types that would appeal to a wider range.

**Re Claims 34-35:** Further system claims would have been obvious in order to perform the previously rejected method claims 1-33 and are therefore rejected using the same art and rationale.

### ***Response to Arguments***

Applicant's arguments with respect to claims 1-36 have been considered but are moot in view of the new ground(s) of rejection.

With regards to the affidavit, the examiner has entered the statement however it should also be pointed out for the record that in an affidavit "The showing of facts shall be such, in character and weight, as to establish reduction to practice prior to the effective date of the reference, or conception of the invention prior to the effective date of the reference coupled with due diligence from prior to said date to a subsequent reduction to practice or to the filing of the application. Original exhibits of drawings or records, or photocopies thereof, must accompany and form part of the affidavit or declaration or their absence must be satisfactorily explained (MPEP 715)." While the applicant has provided a declaration swearing back in excess of 2 years, with accompanying conception of the invention; there is no statement as to the due diligence to a subsequent reduction of practice over the aforementioned time period. In other words, there is no explanation as to the delay in filing of the application. Such an explanation is recommended.

Furthermore, along those same lines, this action is made final as the examiner could not have reasonably anticipated an affidavit swearing behind a reference with an effective date of over 2 years prior.

### ***Conclusion***

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).


A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Timothy M. Harbeck whose telephone number is 571-272-8123. The examiner can normally be reached on M-F 8:30-5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Souh can be reached on 571-272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

  
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